

BOARD MEETING

MONDAY JAN. 27,2020

MINUTES

1. CALL TO ORDER:

The President, Mr. Kelly, called the meeting to order at 10:02 a.m. He then asked the property manager, Mike Gallagher, to certify proper notice of the meeting was provided. Mr. Gallagher confirmed that proper notice had been provided and that notices were posted on all bulletin boards.

2. ROLL CALL: The Secretary, Charlie Clogston, called the roll. Members present included Charlie Clogston, Kevin M. Kelly, Steve Croft, Al Jakelis, Peter Probasco, and Bette Tsoutsouras. Absent was Alex Petron.

3. APPROVAL OF MINUTES: Mr. Clogston stated that the minutes from the board meeting before the annual meeting was available on the web site. He therefore made a motion to wave the reading of the minutes and all board members approved the motion. Mile Gallagher pointed out that the Organization Meeting after the annual meeting constituted a board meeting and these minutes should be approved. Mr. Kelly agreed to provide such minutes for approval at the next meeting.

4. AGENDA REVIEW/APPROVAL: Mr. Kelly then introduced the changes to the agenda to address the board of directors meeting schedule, a letter to the board from an owner, and the need to address the clubhouse printer. The board unanimously approved the revised agenda

5. PRESIDENT'S REPORT:

YOUR NEW BOARD OF DIRECTORS HELD AN ORGANIZATIONAL MEETING ON JANUARY 17, 2020.

GROUND RULES FOR THE MEETING WERE ESTABLISHED TO LIMIT THE PURPOSE OF THE MEETING TO DISCUSSION ON DUE PROCESS FOR THE BOARD TO CONDUCT BOARD MEETINGS AND ESTABLISH PRIORITIES AND FOCUS FOR 2020.

ADDITIONALLY, IT WAS AGREED THAT NO DECISIONS WOULD BE MADE AT THE MEETING. ANY ITEMS THAT WERE DISCUSSED THAT REQUIRED DECISION WERE DEFERRED TO THE NEXT BOARD MEETING WHICH IS BEING HELD TODAY.

THE ITEMS DISCUSSED AT THE MEETING INCLUDE:

BOARD MEMBER RESPONSABILITIES, INCLUDING:

- Board Certification Course
- Florida 718 responsibilities
- 2018 Published book "The Condo Concept"

PRIORITIES FOR THE NEW BOARD:

- Develop Written Procedures
- Compliance with the newly introduced "Vital Records Procedures"
- Develop One Year Plan
- Develop Five Year Plan

NEED FOR COMMITTEES:

- By-Laws
- Rules/Regulations
- Web Site Modernization
- Owners Voter Participation

Further discussion was held related to the requirement for all board members to provide WRITTEN information to be included in any BOD agenda for any matters they wish the board to vote on.

Finally, significant discussion was held centered on how the BOD can maximize financial expenditures, while at the same time assuring sound and wise investments on appropriate projects, to maintain PBV as a community that is well cared for.

Some of the projects are included on our agenda today and others will be identified and addressed during the coming year.

It is important to note that NO projects will be initiated until a written project plan is developed, including the objective, purpose and the specific requirements. Such plans must be approved in ADVANCE by the board before any project be initiated.

6.TREASURER'S REPORT:

Expenses for December 2019: Expenses were \$27,023 vs. Budget of \$24,456 making Dec. \$2,456 over budget. Variances by Category:

- Administrative Expenses: \$91 over budget due to Supplies/copies
- Building Operations: \$1,028 over budget due to backflow testing, Christmas supplies, Christmas bonus, and washer repair
- Landscape & Grounds Expense: \$1,112 under budget
- Recreation Facilities: \$73 over budget due to Clubhouse steam vacuum.
- Utilities: \$675 over budget due to trash removal.
- Miscellaneous: \$1,700 over budget due to repairs to Bldg. D, D33 water damage

2019 Total Expenses: Expenses were \$304,009 vs. a budget of \$296,554 or \$7,455 over budget for the year.

- Administrative Expenses: \$1,301 under budget.
- Building Operations: \$1,313 under budget
- Landscaping & Grounds Expenses: \$1,077 under budget.
- Recreation Facilities: \$2,115 over budget due to awning removal and pump repair.
- Utilities: \$2,428 over budget due to addition of a recycling charge on waste pickup.
- Miscellaneous: \$6,604 over budget due to Bldg. D & G roof repair, sanitary line cleanouts, Buildings D & B

Reserves: Jan 1, 2019 balances totaled \$376,981, with \$65,606 added (assessments & interest), \$34,647 for disbursements, and an ending balance of \$407,941. A gain of \$30,959 for the year.

Owner's Equity: Jan 1, 2019 OE was \$82,949. Dec 31, 2019 OE was \$70,854, for a reduction of \$12,095.

- 2019 Expenses exceeded budget by \$7,455.
- 2019 started with a \$5,000 shortfall.

Accounts Receivable: \$501. This is 0.14% of total 2019 receivables.

Estimated vs Actual 2019 Expenses: Actual 2019 expenses were \$304,009. Nov. estimate for 2019 yearend expenses were \$301,746—based on Oct 2019 year to date expenses. This is a key step in establishing the following year’s budget See attached spreadsheet for detail.

2019-2020 CD Summary: 2019 is our first year for enhancing interest earnings by using CD’s.

- Synovus Bank CD: \$100,000 matures 5/19/2020, Now worth \$101,663.15
- Oculina Bank CD: \$120,000, matures 4/18/2021, Now worth \$102,446.84
- Interested gained to date = \$4109.99
- PBV took out a 24-month \$100,000 CD at IBMSCU bank in Jan. 2020. It pays 1.87% and will mature in Jan. 2020

Treasurer 2020 goals—working with Elliot Merrill to:

1. Change how interest earned in our Reserve Funds Bank Accounts is accounted for: specifically, to allow interest paid on CD’s and interest bearing accounts accrue in our 2 Reserve Funds Bank Accounts WITHOUT being specifically assigned to any our 5 individual Reserve Funds. Each Reserve Fund will continue to be funded per formula, but over time we will build uncommitted Reserved Money that we can use in any of our 5 Reserve Funds—at the discretion of our Board of Directors. This interest, if unused, will accumulate to >\$30,000 in 5 years.
2. Acquire Excel downloads of EM’s general ledger for all PBV expenditures to enable easy searching/analysis of all PBV payments over the past 5 years in order to simplify analysis of our expense history. (basis for repair/replace) Examples:
3. What have we spent of irrigation water and repairs over the past 5 years?
4. Who are our top 5 suppliers of services?
5. How much have we spent on fixing broken pipes? Are we seeing an increase?
6. What past expense information would you like to see?
7. Minimize expenses charged to “Contingency”. We lose info when listed in this category.
8. Secure warranty information on Association assets: i.e. Club House AC & hot water heater, pool heater/pumps, tools/equipment, etc., to minimize repair/replacement costs
9. Encourage owners to take advantage of Elliot Merrill’s “pull process” for paying dues vs. using a bank’s “push process” for payments. This will reduce owner and EM’s effort to keep payments current.
10. Per FL law, review the financial health of the banks holding Association monies—currently close to \$500K.

7.PROPERTY MANAGER REPORT:

Status Report- Mike gave an update to the owners on how several of the EM properties are dealing with infrastructure issues and incurring additional assessments. He indicated that it was important for PBV to be diligent on our maintenance projects.

- Building F soffit repair: EM has requested bids for repair and expects to present an assessment at a future board meeting.
- Building F walkway flooding: Bids are expected shortly
- A/C Railing removal: The board directed that EM suspend this project. The initial

- cost estimates are beyond what the board would be willing to fund.
Building F pool fence project: Peter Probasco reviewed this project and read a notice from the insurance companies. Two insurance company stated that they would not provide insurance and two stated that they would provide insurance IF a fence was installed. Peter then asked that the owners who would be impacted work with him to evaluate alternatives. Peter will bring this matter back to the board when more information is available.

8. OLD BUSINESS: NONE

9. NEW BUSINESS:

- a. Indian River Shores new law- Ordinance 546 re. Short term rentals
- b. Proposal to establish segregated RESERVES INTEREST
- c. RESOLUTIONS TO ESTABLISH NEW COMMITTEES
 - By-Laws
 - Rules/Regulations
 - Owner Voting
 - Web Site
- d. Clubhouse Flooring
Kevin Kelly and Steve Croft reviewed the need for committees and the opportunity to segregate reserves accounts interest to a segregated account. The resolutions to authorize all of the above matters were presented. Before voting on the measures, Al Jakelis raised concern about the authority to approve any recommendations from the Flooring Committee. After discussion, all board members agreed that any recommendations from the committee must be reviewed by the board and MUST satisfy all requirements of the foundation documents and By-Laws. After this discussion, Mr. Kelly read all resolutions for approval. Upon the motion of Mr. Croft, seconded by Bette Tsoutsouras, board members approved the six resolutions, attached to and made a part of these minutes.

THE NEW ITEMS ADDED TO THE AGENDA WERE THEN ADDRESSED:

1. The next two board meetings were scheduled for Feb 10 @10 am and Feb 26 @10am.
2. A letter from the Welshes was addressed asking for permission to park a pickup truck for one month in the summer while they completed construction. After discussion, with owner input, the request was approved with the caveat that a time limit be established.
3. The board also agreed to request that the Social Committee take over responsibility for the clubhouse printer/copier/internet.